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Via Email: regs.comment@federalreserve.gov

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20 and C Streets, NW
Washington, D.C. 20051

December 24, 2009

RE: Docket No. R-1370

This comment letter is sent on behalf of Branch Banking and Trust Company and its affiliates and subsidiaries (BB&T). BB&T is one of the largest financial institutions in the country with $165.3 billion in assets, and more than 1,800 financial centers in thirteen states and Washington, D.C.

BB&T appreciates the opportunity to comment on the Board's proposed changes to the open end, home secured provisions of Regulation Z. BB&T supports the Board's efforts in ensuring that consumers have accurate and meaningful disclosures to enable them to make informed credit choices.

The Board has asked whether or not the final rule should use a 60 day past due payment as a benchmark for terminating a plan consistent with the requirements in the CARD Act or retain a 30 day benchmark. BB&T does not support specifying a particular number of days a client must be past due before a creditor would be permitted to call the loan. If a client is experiencing temporary difficulty and falls behind for a short period of time, BB&T and other creditors would not base the decision to terminate the plan solely on a short term delinquency. Conversely, there may be situations where a client would be less than 30 days past due, but other circumstances may exist that would make termination of the plan a prudent decision. For these reasons, we ask that the Board eliminate any reference to a specific number of days past due before termination or suspension would be permitted.

BB&T does not agree with the Board's proposal to add additional clarification in the commentary of what constitutes a significant decline in the value of the property. The Board is proposing to set a 5% decline in value as a safe harbor for loans that exceeded 90% loan-to-value at origination. Since a loan that exceeded 90% loan-to-value at origination represents a higher risk, any decline in value increases that risk. BB&T recommends the Board not add this additional safe harbor.

The Board requested comment on how to clarify when "the creditor reasonably believes that the consumer will be unable to fulfill the repayment obligations of the plan because of a material change in the consumer's financial circumstances." BB&T agrees that this current standard is vague and subjective, but does not believe that any of the Board's attempts in the proposal to add meaning add any more clarity. Whether or not a client will be unable to meet their obligations is dependent on their particular facts and circumstances. Each credit must be evaluated on those particular facts and circumstances and could not, nor should it be, defined by regulation.

BB&T also objects to the Board's proposed safe harbor that a creditor could only consider payments made within the past six months as a factor in taking any adverse action on a line. This time period is too short and does not allow a creditor to consider all of the facts and circumstances about a particular borrower when making decisions about termination or suspension. BB&T recommends 12 months.

Under the current regulation clients who have had their line suspended must request that the creditor reinstatement the line. Under the proposal the Board is requesting comment on whether it should require creditors to perform ongoing monitoring in order to determine whether a client s eligible for reinstatement. BB&T believes that this would be overly burdensome on banks and difficult to define. For example, if a

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line were terminated due to a significant decline in a borrower's financial circumstances, how would a bank monitor those circumstances? Similarly, how could a bank monitor, on an ongoing basis, the collateral value of the security? Alternatively, BB&T suggests keeping the existing requirement that the borrower request reinstatement.

Thank you for the opportunity to comment on these important issues.

Sincerely,

Sherryl McDonald

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Lending Compliance Group Manager